



REZILIENTKIDZ

Financial Statements  
With Independent Auditors' Report

September 30, 2021 (Audited) and  
2020 (Compiled)

# REZILIENTKIDZ

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## **INDEPENDENT AUDITORS' REPORT**

Board of Directors  
RezilientKidz  
Colorado Springs, Colorado

We have audited the accompanying financial statements of RezilientKidz, which comprise the statement of financial position as of September 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors  
RezilientKidz  
Colorado Springs, Colorado

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of RezilientKidz, as of September 30, 2021, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Prior Period Financial Statements***

Management is responsible for the accompanying financial statements of RezilientKidz, which comprise the statement of financial position as of September 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on the 2020 financial statements.

*Capin Crouse LLP*

Colorado Springs, Colorado  
February 18, 2022

# REZILIENTKIDZ

## Statements of Financial Position

	September 30,	
	2021	2020
	(Audited)	(Compiled)
ASSETS:		
Cash	\$ 265,805	\$ 224,049
Inventory	62,824	54,839
Total Assets	<u>\$ 328,629</u>	<u>\$ 278,888</u>
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued liabilities	\$ 22,980	\$ 44
Related party payable	209,635	275,290
Net assets:		
Without donor restrictions	(58,016)	(141,697)
With donor restrictions	154,030	145,251
Total Net Assets	<u>96,014</u>	<u>3,554</u>
Total Liabilities and Net Assets	<u>\$ 328,629</u>	<u>\$ 278,888</u>

See notes to financial statements

# REZILIENTKIDZ

## Statements of Activities

	Year Ended September 30,					
	2021 (Audited)			2020 (Compiled)		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE:</b>						
Contributions	\$ 216,930	\$ 99,519	\$ 316,449	\$ 20,887	\$ 100,000	\$ 120,887
Sales	7,353	-	7,353	6,713	-	6,713
Other revenue	436	-	436	9,554	-	9,554
<b>Total Support and Revenue</b>	<b>224,719</b>	<b>99,519</b>	<b>324,238</b>	<b>37,154</b>	<b>100,000</b>	<b>137,154</b>
<b>NET ASSETS RELEASED:</b>						
Purpose restrictions	90,740	(90,740)	-	52,601	(52,601)	-
<b>EXPENSES:</b>						
Program services:						
Parenting	224,442	-	224,442	139,002	-	139,002
Supporting activities:						
Management and general	7,336	-	7,336	4,510	-	4,510
<b>Total Expenses</b>	<b>231,778</b>	<b>-</b>	<b>231,778</b>	<b>143,512</b>	<b>-</b>	<b>143,512</b>
Change in Net Assets	83,681	8,779	92,460	(53,757)	47,399	(6,358)
Net Assets, Beginning of Year	(141,697)	145,251	3,554	(87,940)	97,852	9,912
Net Assets, End of Year	\$ (58,016)	\$ 154,030	\$ 96,014	\$ (141,697)	\$ 145,251	\$ 3,554

See notes to financial statements

# REZILIENTKIDZ

## Statements of Functional Expenses

Year Ended September 30, 2021			
(Audited)			
	Program Services:	Supporting Activities	
	Parenting	Management and General	Total Expenses
Printing and publication	\$ 83,939	\$ 2,400	\$ 86,339
Professional services	88,389	1,916	90,305
Projects and events	33,740	-	33,740
Office and technology	9,570	3,020	12,590
Grants and benevolence	8,804	-	8,804
	<b>\$ 224,442</b>	<b>\$ 7,336</b>	<b>\$ 231,778</b>

Year Ended September 30, 2020			
(Compiled)			
	Program Services:	Supporting Activities	
	Parenting	Management and General	Total Expenses
Printing and publication	\$ 34,876	\$ -	\$ 34,876
Professional services	63,124	-	63,124
Projects and events	25,294	-	25,294
Office and technology	7,599	4,510	12,109
Grants and benevolence	8,109	-	8,109
	<b>\$ 139,002</b>	<b>\$ 4,510</b>	<b>\$ 143,512</b>

See notes to financial statements

# REZILIENTKIDZ

## Statements of Cash Flows

	Year Ended June 30,	
	2021	2020
	(Audited)	(Compiled)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 92,460	\$ (6,358)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Change in operating assets and liabilities:		
Accounts receivable-net	-	9,039
Inventory	(7,985)	1,344
Accounts payable	22,936	(599)
Related party payable	(65,655)	97,210
Net Cash Provided by Operating Activities	<u>41,756</u>	<u>100,636</u>
Net Change in Cash	41,756	100,636
Cash, Beginning of Year	<u>224,049</u>	<u>123,413</u>
Cash, End of Year	<u>\$ 265,805</u>	<u>\$ 224,049</u>

See notes to financial statements



# REZILIENTKIDZ

## Notes to Financial Statements

September 30, 2021 (Audited) and 2020 (Compiled)

1. NATURE OF ORGANIZATION:

RezilientKidz (RK) is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and comparable state laws. However, RK is subject to federal income tax on any unrelated business taxable income. In addition, RK is not classified as a private foundation within the meaning of Section 509(a) of the IRC.

RK is a charitable, educational, and scientific organization created to champion the needs of children and equip parents to build thriving, healthy families through research, community initiatives, and reliable content.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

RK maintains its accounts and prepares its financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from the estimates that were assumed in preparing the financial statements. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

### CASH

Cash consists of checking accounts. As of September 30, 2021, RK has cash and cash equivalents on deposit with financial institutions that exceed the federally insured (FDIC) balance. Amounts exceeding the FDIC limits are covered by other insurance provided through a network of financial institutions. As of September 30, 2020, the amounts did not exceed the federally insured limit. RK has not experienced any losses on these accounts and does not believe it is exposed to any significant risk.

### INVENTORY

Inventory consists of books, literature, and audio-visual materials, which are recorded at the lower of cost or net realizable value, using the weighted-average cost method (this method approximates the first-in first-out methodology).

### RELATED PARTY PAYABLE

Related party payable consists of an amount due to Focus on the Family (FOF), which shares leadership and management with RK.

### NET ASSETS

The net assets of RK are reported in the following classes:

*Net assets without donor restrictions* consist of amounts currently available for use in the ministry of RK.

*Net assets with donor restrictions* consist of donor-restricted contributions for special projects.

# REZILIENTKIDZ

## Notes to Financial Statements

September 30, 2021 (Audited) and 2020 (Compiled)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### SUPPORT AND REVENUE

Contributions are recorded when made, which may be when cash and other assets are received or when unconditionally promised. RK reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. All contributions are considered available for unrestricted use unless specifically restricted by the donor.

Sales revenue consists primarily of books and audio-visual material sold to RK constituents, distributors, and institutions. Revenue is recognized when the performance obligation is satisfied, which is when the product is provided to the customer. Should amounts not be collected when the performance obligation is satisfied, accounts receivable is recorded for the outstanding amount.

Other income consists of other miscellaneous revenue and is recognized when earned.

#### FUNCTIONAL ALLOCATION OF EXPENSES

The statements of functional expenses reports certain categories of expenses that are attributable to program or supporting activities of RK. These expenses include office and technology, which were allocated on estimates of time and effort. All other expenses are considered to be programmatic in nature. RK had no joint costs during the years ended September 30, 2021 and 2020.

#### ADOPTION OF RECENTLY ISSUED PRONOUNCEMENTS

In 2014, the Financial Accounting Standards Board issued Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers*. RK adopted the provisions of this new standard during the year ended September 30, 2021. This new standard applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. Adoption of this standard had no effect on change in net assets or net assets in total.

### 3. LIQUIDITY AND FUNDS AVAILABLE:

The following reflects RK's financial assets as of September 30, 2021 and 2020, reduced by amounts not available for general use within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year. Financial assets available to meet cash needs for general expenditures within one year as of September 30, 2021 and 2020, consist of cash minus the related party payable, totaling \$56,170 and \$0, respectively.

RK has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Management monitors cash flows through board meetings and detailed financial analysis.

# REZILIENTKIDZ

## Notes to Financial Statements

September 30, 2021 (Audited) and 2020 (Compiled)

4. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consist of the following:

	September 30,	
	2021	2020
Training	\$ 88,258	\$ 38,873
Unicity	35,000	63,000
Ecommerce	15,475	43,378
Publications	15,297	-
	<u>\$ 154,030</u>	<u>\$ 145,251</u>

5. SUPPORT AND REVENUE CONCENTRATION:

During the year ended September 30, 2021, RK received a contribution from FOF that totaled \$150,000. This gift accounted for approximately 46% of total support and revenue for the year ended September 30, 2021. A similar gift was not made during the year ended September 30, 2020.

6. RISKS AND UNCERTAINTIES:

In March 2020, the World Health Organization declared the outbreak of the coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States. COVID-19 has caused a severe negative impact on the world economy and has contributed to significant volatility in financial markets. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, or the impact on the financial position and results of RK for future periods-including the effect on its revenue streams and contribution base. Management is carefully monitoring the situation and evaluating its options as circumstances evolve.

7. SUBSEQUENT EVENTS:

Subsequent events were evaluated through February 18, 2022, which is the date the financial statement were available to be issued.